

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION**

MICHAEL GRASSI, <i>et al.</i> ,)	Case No. 1:18-CV-2619-PAB
)	
)	Judge Pamela A. Barker
Plaintiffs,)	
)	
v.)	
)	
JOHN GRASSI, <i>et al.</i> ,)	
)	
Defendants.)	

DEFENDANTS' PROPOSED PRELIMINARY STATEMENT

The parties have been unable to agree to a proposed joint preliminary statement pursuant to the Court's Civil Trial Order dated June 3, 2022 (ECF Doc. 137). Defendants John Grassi and Alotech Limited LLC therefore submit the following proposed preliminary statement to the Court.

Proposed Preliminary Statement

This lawsuit involves claims filed by Michael Grassi and his company CFOM, Inc. against John Grassi and his company Alotech Limited, LLC. Michael Grassi and John Grassi are brothers. You will often hear them referred to during this trial by their first names, Mike and John, so that you can understand who the witnesses and lawyers are talking about. Even though these parties are brothers, the same legal principles and rules apply to them and the claims they are making in this case, just as they would apply to any other business parties with a legal dispute.

Alotech's business involves a process called ablation casting, in which molten aluminum is poured into a sand-like mold, which is then washed away with water. The process is valuable because it efficiently results in a quickly-cooled part with exceptionally high strength and quality. John ran the first test of the process in the driveway at his home in Ohio.

Alotech owns various patents on the ablation process and underlying technology. Years after the ablation process was first patented, Mike and his company CFOM did work for Alotech for a period of time on its ablation process. Alotech has licensed this technology to a number of companies, including Honda. Alotech receives license royalties and other compensation from its licensees, including Honda. And Honda secured an exclusive license from Alotech for ablation related to certain aspects of the car industry.

Mike claims that, in 2012, he and John reached an unwritten oral agreement to share the proceeds from a license agreement that was then being negotiated with Honda, with 65% of the proceeds going to John's company Alotech and 35% to Mike's company CFOM. Mike claims he took certain actions in reliance on this unwritten oral agreement. Mike and CFOM also claim that John and Alotech misappropriated certain trade secrets that Mike and CFOM claim belong to them.

John and Alotech deny that there was any such unwritten oral agreement to share Alotech's proceeds. John and Alotech claim that Mike was an employee of Alotech, that Mike's company CFOM was a vendor of Alotech, and that Alotech paid Mike and CFOM more than \$1.3 million dollars over the years for the work they did for Alotech. John and Alotech also deny that any trade secrets were misappropriated from Mike or CFOM.

John and Alotech claim that Mike and CFOM signed written agreements confirming that all this ablation technology belongs to Alotech. However, Mike claims that his signatures on those agreements were forged.

Mike and CFOM seek damages from Alotech. John and Alotech seek to show that Mike and CFOM do not have ownership rights in any of the aspects of the ablation process that Alotech uses and licenses to others.

After the parties put on evidence, the Court will provide you with instructions and ask you to answer some questions to help resolve these parties' dispute. Some of the information you will hear is confidential technical and business information that none of the parties want to be shared with the public. The Court may impose certain restrictions during the trial to maintain that confidentiality.

Respectfully submitted, this November 28, 2022

/s/ Suzanne Bretz Blum

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CERTIFICATE OF FILING AND SERVICE

I hereby certify that on this date, I electronically filed the foregoing DEFENDANTS' PROPOSED PRELIMINARY STATEMENT via the Court's ECF system. I further certify that counsel of record for Plaintiffs is a registered ECF user and that service will be accomplished by the ECF system.

/s/ Suzanne Bretz Blum

Counsel for Defendants